

§ 20.2

or contains used parts as required by this section may be made by use of a word such as, but not limited to, "Used," "Secondhand," "Repaired," "Remanufactured," "Reconditioned," "Rebuilt," or "Relined," whichever is applicable to the product involved. On invoices to the trade only the disclosure required by this section may be made by use of any number, mark, or other symbol which is clearly understood by all purchasers receiving such invoices as meaning that the products, or parts thereof, identified on the invoices have been used.

(2) *Conspicuousness of disclosure.* The disclosure required by this section shall be of such size or color contrast and so placed as to be readily noticeable to purchasers or prospective purchasers reading advertising, sales promotional literature, or invoices containing same, or reading any representation as to content on the container in which an industry product is packed, or inspecting an industry product before installation, or with a minimum of disassembly after installation.

(c) It is an unfair trade practice to place any means or instrumentality in the hands of others whereby they may mislead purchasers or prospective purchasers as to the previous use of industry products or parts thereof. [Guide 1]

§ 20.2 Deception as to identity of rebuilder, remanufacturer, reconditioner or reliner.

(a) It is an unfair trade practice to misrepresent the identity of the rebuilder, remanufacturer, reconditioner or reliner of an industry product.

(b) In connection with the sale or offering for sale of an industry product if the identity of the original manufacturer of the product, or the identity of the manufacturer for which the product was originally made, is revealed and the product was rebuilt, remanufactured, reconditioned or relined by other than the manufacturer so identified, it is an unfair trade practice to fail to disclose such fact wherever either of said manufacturers is identified in advertising and sales promotional literature concerning the product, on the container in which the product is packed, and on the product, in close conjunction with, and of the same per-

16 CFR Ch. I (1-1-00 Edition)

manency and conspicuousness as, the disclosure of previous use of the product required by this section. Examples of disclosures considered to be in compliance with the requirements of this section are as follows:

(1) Disclosure of the identity of the rebuilder as, for example:

Rebuilt by John Doe Co.

(2) Disclosure that the product was rebuilt by an independent rebuilder as, for example:

Rebuilt by an Independent Rebuilder

(3) Disclosure that the product was rebuilt by other than the manufacturer so identified as, for example:

Rebuilt by other than XYZ Motors

(4) Disclosure that the product was rebuilt for the identified manufacturer, if such is the case, as for example:

Rebuilt for XYZ Motors

[Guide 2]

§ 20.3 Misrepresentation as to condition of products and misuse of the terms "rebuilt," "factory rebuilt," "remanufactured," etc.

(a) It is an unfair trade practice to use, or cause or promote the use of, any statement or representation in advertising, on containers, on industry products, or elsewhere, which has the capacity and tendency or effect of misleading or deceiving purchasers or prospective purchasers as to the condition of an industry product, or the extent that an industry product has been repaired or reconstructed.

(b) It is an unfair trade practice to use the words "Rebuilt," "Remanufactured," or words of similar import, as descriptive of an industry product which, since it was last subjected to any use, has not been dismantled and reconstructed as necessary, all of its internal and external parts cleaned and made free from rust and corrosion, all impaired, defective or substantially worn parts restored to a sound condition or replaced with new, rebuilt¹ or unimpaired used parts, all missing parts replaced with new, rebuilt¹ or

¹In accord with the provisions of this paragraph (b).

Federal Trade Commission

§ 23.0

unimpaired used parts, and such re-winding or machining and other operations performed as are necessary to put the industry product in sound working condition.

(c) It is an unfair trade practice to represent an industry product as "Factory Rebuilt" unless the product was rebuilt as described in paragraph (b) of this section at a factory generally engaged in the rebuilding of such products. (See also § 20.2) [Guide 3]

PART 23—GUIDES FOR THE JEWELRY, PRECIOUS METALS, AND PEWTER INDUSTRIES

Sec.

- 23.0 Scope and application.
- 23.1 Deception (general).
- 23.2 Misleading illustrations.
- 23.3 Misuse of the terms "hand-made," "hand-polished," etc.
- 23.4 Misrepresentation as to gold content.
- 23.5 Misuse of the word "vermeil."
- 23.6 Misrepresentation as to silver content.
- 23.7 Misuse of the words "platinum," "iridium," "palladium," "ruthenium," "rhodium," and "osmium."
- 23.8 Misrepresentation as to content of pewter.
- 23.9 Additional guidance for the use of quality marks.
- 23.10 Misuse of "corrosion proof," "non-corrosive," "corrosion resistant," "rust proof," "rust resistant," etc.
- 23.11 Definition and misuse of the word "diamond."
- 23.12 Misuse of the words "flawless," "perfect," etc.
- 23.13 Disclosing existence of artificial coloring, infusing, etc.
- 23.14 Misuse of the term "blue white."
- 23.15 Misuse of the term "properly cut," etc.
- 23.16 Misuse of the words "brilliant" and "full cut."
- 23.17 Misrepresentation of weight and "total weight."
- 23.18 Definitions of various pearls.
- 23.19 Misuse of the word "pearl."
- 23.20 Misuse of terms such as "cultured pearl," "seed pearl," "Oriental pearl," "natura," "kultured," "real," "gem," "synthetic," and regional designations.
- 23.21 Misrepresentation as to cultured pearls.
- 23.22 Deception as to gemstones.
- 23.23 Misuse of the words "ruby," "sapphire," "emerald," "topaz," "stone," "birthstone," "gemstone," etc.
- 23.24 Misuse of the words "real," "genuine," "natural," "precious," etc.
- 23.25 Misuse of the word "gem."

23.26 Misuse of the words "flawless," "perfect," etc.

APPENDIX TO PART 23—EXEMPTIONS RECOGNIZED IN THE ASSAY FOR QUALITY OF GOLD ALLOY, GOLD FILLED, GOLD OVERLAY, ROLLED GOLD PLATE, SILVER, AND PLATINUM INDUSTRY PRODUCTS

AUTHORITY: Sec. 6, 5, 38 Stat. 721, 719; 15 U.S.C. 46, 45.

SOURCE: 61 FR 27212, May 30, 1996, unless otherwise noted.

§ 23.0 Scope and application.

(a) These guides apply to jewelry industry products, which include, but are not limited to, the following: gemstones and their laboratory-created and imitation substitutes; natural and cultured pearls and their imitations; and metallic watch bands not permanently attached to watches. These guides also apply to articles, including optical frames, pens and pencils, flatware, and hollowware, fabricated from precious metals (gold, silver and platinum group metals), precious metal alloys, and their imitations. These guides also apply to all articles made from pewter. For the purposes of these guides, all articles covered by these guides are defined as "industry products."

(b) These guides apply to persons, partnerships, or corporations, at every level of the trade (including but not limited to manufacturers, suppliers, and retailers) engaged in the business of offering for sale, selling, or distributing industry products.

NOTE TO PARAGRAPH (B): To prevent consumer deception, persons, partnerships, or corporations in the business of appraising, identifying, or grading industry products should utilize the terminology and standards set forth in the guides.

(c) These guides apply to claims and representations about industry products included in labeling, advertising, promotional materials, and all other forms of marketing, whether asserted directly or by implication, through words, symbols, emblems, logos, illustrations, depictions, product brand names, or through any other means.

[61 FR 27212, May 30, 1996, as amended at 64 FR 33194, June 22, 1999]